GOVERNMENT OF INDIA
YOUTH AFFAIRS AND SPORTS
LOK SABHA

STARRED QUESTION NO:483
ANSWERED ON:09.05.2007
ACCOUNTABILITY OF THE SPORTS FEDEATIONS
Hegde Shri Anant Kumar

Will the Minister of YOUTH AFFAIRS AND SPORTS be pleased to state:

(a) the details of the financial status of various sports federations in the country;

(b) whether these federations pay income tax; ;

(c) if so, the details thereof;

(d) if not, the reasons therefor; and

(e) the mechanism by which the Government secures their accountability?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF PANCHYATI RAJ, YOUTH AFFAIRS & SPORTS AND DEVELOPMENT OF NORTH EASTERN REGION (SHRI MANI SHANKAR AIYAR)

(a) to (e): A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (e) OF LOK SABHA STARRED QUESTION NO. 483 FOR REPLY ON 9-5-2007 BY SHRI ANANTKUMAR HEGDE REGARDING ACCOUNTABILITY OF THE SPORTS FEDERATIONS.

(a) The National Sports Federations (NSFs)/Sports Associations are autonomous bodies registered under the Societies Registration Act or under Section 25 of the Companies Act. These are responsible for promotion of their respective Sports discipline(s).. The Government supplements the efforts of the NSFs by providing assistance for training and participation of Sportspersons/Indian teams in international events abroad; holding of National/ International Tournaments in India; coaching/training under Indian and Foreign coaches; procurement of sports equipments and providing requisite scientific and technical backup, as per agreed Long Term Development Plans; and meeting a part of the administrative expenses towards re-imbursement of salaries of Assistant/Joint Secretaries. As such, most NSFs are significantly dependent on Government assistance for running their sports activities.

(b) to (d): As per the Income Tax Act, the Sports Organisations having their objects as promotion of sports and which are registered under Section 12AA of the Income Tax Act, can claim exemption under Sections 11 and 12 of the Income Tax Act subject to the fulfillment of various other conditions prescribed under it. Further, the Sports Organisations that are of State or National importance, can also claim exemption under Section 10(23C)
(iv) of the Income Tax Act subject to the fulfillment of various conditions prescribed under it. The income of a Sports Organisation which is neither notified under Section 10(23C)
(iv) nor registered under Sections 12AA of the Income Tax Act is taxable under the usual provisions of the Income Tax Act. All NSFs are supposed to take appropriate action as per the provisions of the Income Tax Act.

(e) To ensure that NSFs/Sports Associations maintain financial accountability, recognition is only granted to those NSFs/Sports Associations that have proper accounting procedures and bring out financial statements on time. Grants-in-aid are released only after the submission of utilization certificates for past releases, if any. Further, as per the provisions of the General Financial Rules, the accounts of the NSFs/Sports Associations receiving financial assistance of more than Rupees one crore in a financial year are audited by the Comptroller and Auditor General of India. The guidelines under the scheme of `Assistance to National Sports Federations` also provide for temporary suspension of recognition and also de-recognition in the event of irregularities, including financial irregularities.